

Message Text

LIMITED OFFICIAL USE

PAGE 01 ROME 04404 171828Z

41

ACTION COME-00

INFO OCT-01 EUR-12 NEA-10 ISO-00 XMB-02 MC-02 CAB-02

CIAE-00 DODE-00 DOTE-00 EB-07 INR-07 NSAE-00 FAA-00

TRSE-00 PM-04 PA-01 USIA-06 PRS-01 SP-02 /057 W

----- 051387

P R 171701Z MAR 76

FM AMEMBASSY ROME

TO AMEMBASSY NEW DELHI PRIORITY

INFO SECSTATE WASHDC PRIORITY 6417

FAA BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY BEIRUT

AMCONSUL BOMBAY

AMEMBASSY PARIS

AMEMBASSY ATHENS

LIMITED OFFICIAL USE ROME 4404

DEPARTMENT PASS COMMERCE FOR R. COHEN, P. HALE, R. BYERS;
EXIMBANK FOR TUTINO: FAA FOR CARY AND CARMICHAEL
FROM RCC DWOR

E.O. 11652: N/A

TAGS: EAIR, ETRD, XF, BEXP, IN, AMGT, APER

SUBJECT: CIVIL AIR - INDIAN AIRLINES TWINJET ACQUISITIONS:
EUROPEAN COMPETITION; RETIREMENT OF CHAIRMAN ACM LAL

REF: STATE 061596; ROME A-70, FEBRUARY 17, 1976

SUMMARY: DESPITE CLEAR AND COMPELLING OPERATIONAL AND ECONOMIC
ADVANTAGES 737-100 FOR INDIAN AIRLINES, PARTICULARLY IN VIEW
COMMONALITY ADVANTAGES TWELVE CURRENTLY IN SERVICE, THERE ARE
DISTURBING PRESS REPORTS OF AIRLINE'S INTEREST IN BAC 111-475'S
OR FOKKER-VFW F-28 MARK 4000'S TO MEET FOLLOW-ON TWINJET RE-
QUIREMENTS. ACM LAL, INDIAN AIRLINES CHAIRMAN, REPORTEDLY
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ROME 04404 171828Z

SLATED TO RETIRE JULY 31 TO BE REPLACED BY ACM O. P. MEHRA.

END SUMMARY.

1. INDIAN AIRLINES HAS ACQUIRED THIRTEEN 737-200 AND ADVANCED 737-200 (737-2A8) TWINJETS FROM THE BOEING COMPANY SINCE INITIAL DELIVERIES DECEMBER 1970, AND HAS CONSISTENTLY EXPRESSED TO RCAA GRATIFICATION WITH THE AIRCRAFT'S RELIABILITY, PERFORMANCE, VERSATILITY, AND PROFITABILITY. HOWEVER, RCAA HAS NOTED WITH INCREASING CONCERN REPEATED REFERENCES IN THE INTERNATIONAL AVIATION PRESS TO PLANNED TWINJET ACQUISITIONS BY THE NEW DELHI-BASED AIRLINE TO REPLACE OBSOLESCE TWIN-TURBOPROP FOKKER-VFW F-27'S AND HINDUSTAN AERONAUTICS-BUILT HS-748'S, WITH NO MENTION OF ACQUISITION FOLLOW-ON ADVANCED 737-200'S. INTERAVIA AIR LETTER (GENEVA) DATED MARCH 3, 1976 REFERS TO A BRITISH AIRCRAFT CORPORATION (BAC) OFFER TO SELL INDIAN AIRLINES 15 BAC 111-475 TWINJETS AT A UNIT COST OF 2 MILLION POUNDS STERLING, ON A HIRE-PURCHASE BASIS OVER A TEN-YEAR REPAYMENT PERIOD.

2. FLIGHT INTERNATIONAL (LONDON) DATED MARCH 6, 1976 REFERS TO A COMPETITION FOR AN INDIAN AIRLINES REQUIREMENT FOR 10-12 NEW TWINJETS, WITH THE AIRLINE HOPING TO RENDER A CHOICE BY THE END OF MARCH BETWEEN THE BAC 111-475 AND THE FOKKER-VFW F-28 MARK 4000 TWINJET, WITH FIRST DELIVERIES DELAYED UNTIL 1979 AND 1980. INTERAVIA AIR LETTER DATED DECEMBER 24, 1975 REFERRED TO THE VFW-FOKKER 614 TWINJET AND DHC (DE HAVILLAND CANADA) DASH 7 TWIN TURBOPROP AS ALSO BEING INCLUDED IN THE AIRLINE'S EVALUATION STUDIES.

3. INTERAVIA AIR LETTER DATED FEBRUARY 18, 1976 REFERS TO A REPORT BY JRD TATA, CHAIRMAN GOI CIVIL AVIATION REVIEW COMMITTEE, WHICH RECOMMENDS (IN ADDITION TO A NEW CIVIL AVIATION AUTHORITY) THE ESTABLISHMENT OF A PLANNING CELL FOR A COMPREHENSIVE REVIEW OF CIVIL AIRPORTS AND THE PREPARATION OF A PHASED PROGRAM OF CONSTRUCTION AND DEVELOPMENT. THE REPORT REFERS TO HAPHAZARD GOI CIVIL AVIATION DEPARTMENT PLANNING WHICH HAS UNDULY PENALIZED INDIAN AIRLINES DUE FAILURE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 ROME 04404 171828Z

TO PROVIDE INFRASTRUCTURE FACILITIES LIKE WELL-EQUIPPED AIRFIELDS AND AIR TERMINALS. AS A RESULT, ACCORDING TO TAT'S REPORT, THE AIRLINE HAS TO DEPLOY SMALL, UNECONOMIC AIRCRAFT (I.E. F-27, HS-748) AND INCUR LOSSES ON MANY OF ITS REGIONAL AND FEEDER ROUTES, ALTHOUGH VOLUME OF TRAFFIC WARRANTS USE OF HIGHER CAPACITY JETS (I.E. ADVANCED 737-200).

4. IF INDIAN AIRLINES IS, AS PRESS REPORTS APPEAR TO INDICATE, IN FACT OMITTING THE HIGHLY PROFITABLE AND VERSATILE ADVANCED 737-200'S IN FUTURE TWINJET ACQUISITION PLANNING, RCAA BELIEVES THIS MAY PROVE ADVERSE TO DOMESTIC CARRIER'S BEST INTERESTS, PARTICULARLY IF VOLUME OF TRAFFIC AT SECONDARY AIRPORTS DOES WARRANT USE OF HIGHER CAPACITY JETS, AS J.R.D. TATA REPORTS. THE BOEING ADVANCED 737-200 POSSESSES AT LEAST EQUAL SHORT FIELD/UNSEALED RUNWAY CAPABILITY TO THE BAC 111-475 OR F-28-4000 IN OPERATIONS FROM SHORT UNIMPROVED RUNWAYS AND HIGH ELEVATION AIRPORTS UNDER HOT TAKEOFF CONDITIONS WITH MARKEDLY SUPERIOR RANGE AND PAYLOAD AS BORNE OUT BY FOLLOWING TABLE: (1)

(READ IN THREE COLUMNS)

BOEING ADVANCED 737-200 (3)/BAC 111-475 (4)/F-28 MARK 4000

NO. OF PAX WITH BAGGAGE 115/79/75

TAKEOFF FIELD LENGTH 4150 FEET/4600 FEET/4500 FEET (EST.)

LANDING FIELD LENGTH 3700 FEET/4600 FEET/3200 FEET (EST.)

RANGE 1860 NAUTICAL MILES (2)/1400 NAUTICAL MILES/1100 NAUTICAL MILES

HOLD CARGO VOLUME 875 CUBIC FEET/510 CUBIC FEET/557 CUBIC FEET

(1) UNDER FOLLOWING CONDITIONS: SEA LEVEL AIRPORT,

TAKEOFF TEMPERATURE 84 DEGREES F, LONG-RANGE CRUISE AT 30,000 FEET, AVERAGE PASSENGER AND BAGGAGE WEIGHT OF 205 POUNDS.

(2) ON SHORTER MULTIPLE STOP SECTOR DEPLOYMENT, SUPERIOR RANGE CAPABILITY OF ADVANCED 737-200 PERMITS

ENHANCED THROUGH-STOP ABILITY TO FLY ONWARD TO REMOTE AIRPORTS WITHOUT COSTLY AND TIME CONSUMING ENROUTE RE-FUELING AND SERVICING.

(3) POWERED BY UPDATED P&W JT8D-17 ENGINES (16,000 LBS. THRUST TAKEOFF)

(4) REQUIRES USE OF WATER INJECTION.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 ROME 04404 171828Z

5. CASE FOR ADVANCED 737-200, IN LIGHT OF SUPERIOR PROFIT POTENTIAL (ENHANCED PASSENGER AND CARGO CAPACITY AND FLEXIBILITY, LOW SEAT-MILE/TON-MILE OPERATING COSTS, LOW BREAK-EVEN LOAD FACTOR REQUIREMENTS) AND PERFORMANCE, VERSATILITY, AND FLEXIBILITY, SO COMPELLING AS COMPARED TO LESSER ALTERNATIVES OF BAC-111-475 AND FOKKER F-28-4000 FOR INDIAN AIRLINES THAT RCAA FEARS SOME UNKNOWN ELEMENT (I.E. POLITICAL BIAS) IN DETERMINING PRESENT INDIAN AIRLINES FLEET PLANNING.

6. RCAA UNDERSTANDS INDIAN AIRLINES CHAIRMAN AIR CHIEF MARSCHAL P.C. LAL RETIRING JULY 31 TO BE REPLACED BY AIR CHIEF MARSCHAL O.P. MEHRA. CHAIRMAN LAL IS REPORTED TO BE SCHEDULED FOR PRERETIREMENT LEAVE EFFECTIVE MAY 1. IMPACT OF THIS MANAGERIAL CHANGE ON

INDIAN AIRLINES FLEET PLANNING NOT YET ASSESSED.

7. RCAA PLANS APRIL VISIT NEW DELHI AND BOMBAY, IF
CONVENIENT FOR ADDRESSEE POSTS. IN INTERIM, RCAA
WOULD APPRECIATE EMBASSY NEW DELHI ASSESSMENT ADVANCED
737-200 PROSPECTS INDIAN AIRLINES TWINJET ACQUISITION
PLANNING.VOLPE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CIVIL AVIATION, COMMERCIAL AIRCRAFT, SALES
Control Number: n/a
Copy: SINGLE
Draft Date: 17 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976ROME04404
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760101-0053
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760351/aaaabsxk.tel
Line Count: 176
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 STATE 61596, 76 ROME A-70
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 05 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 APR 2004 by CollinP0>; APPROVED <28 JUL 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CIVIL AIR - INDIAN AIRLINES TWINJET ACQUISITIONS: EUROPEAN COMPETITION; RETIREMENT OF CHAIRMAN ACM LAL
TAGS: EAIR, ETRD, BEXP, AMGT, APER, XF, IN, INDIAN AIRLINES
To: COM NEW DELHI
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006